GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:5161
ANSWERED ON:20.04.2001
IMPORT OF EDIBLE OIL FROM MALAYSIA
LAXMINARAYAN PANDEY

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether a fact India proposed to purchase edible oil worth three crore Dollar from Malaysia;

(b) if so, the details thereof;

(c) whether India is unable to meet its domestic requirement of edible oils from the oil produced within the country; and

(d) if so, the steps taken to increase the domestic production of edible oil?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI CHAUHAN)

(a) No, Sir.

(b) Does not arise.

(c) There has been a persistent gap between demand and domestic availability of edible oils.

(d) Some of the steps taken/efforts made to increase the indigenous production of oilseeds and hence of edible oils are :-

(i) Centrally Sponsored Oilseeds Production Programme is in implementation in 25 Statescovering 395 selected districts to increase the production of Oilseeds/edible oils in the country. Under the programme financial assistance is provided for the critical inputs like production and distribution of seeds, distribution of seed minikits, sprinkler sets, improved farm implements, gypsum/pyrites, micro-nutrients, rhyzobium culture etc. to the farmers through State Govts. In addition to this, frontline and general demonstrations are also organized on the farmers fields to disseminate the improved production and protection technologies.

(ii) A technology Mission on Oilseeds was established in May 1986 for harnessing the best production, processing and management technology.

(iii) Intensification of research efforts for increasing production of oilseeds.

(iv) Increasing the areas under non-traditional oilseeds crops like soyabean and sunflower, exploitation of oilseeds of tree and forest origin, ricebran etc.

(v) Setting up of necessary processing and infrastructural facilities to keep pace with the production programme of oilseeds.

(vi) Assistance for oil palm development.

(vii) Better incentive to producers through fixation of Minimum Support Price (MSP) of major oilseeds.

(viii) Use of indigenous oils in the manufacture of vanaspati to at least 25% of the production on a monthly basis has been made mandatory. Also, higher use of expeller mustard oil in the manufacture of vanaspati up to 30% has also been allowed. The objective is to incentivise the farmers in terms of better returns for their produce.

(ix) In order to harmonise the interests of domestic oilseeds growers, consumers and processors and to regulate large import of edible oils to the extent possible, the duty structure on edible oils has been revised four times in a span of 14 months. The latest revision was effected on 1.3.2001. The custom duty on CPO meant for vanaspati manufacture has been raised from 25% to 75% except in the case of sick vanaspati industry where the duty has been kept at 55%. The duty on CPO for other than manufacture of vanaspati has also been raised to 75%. The duty on refined oils has been raised to 85% (basic) except in the cases of refined Soyabean Oil and refined Mustard Oil where the duties are 45%(basic) and 75%(basic) respectively. Special Additonal Duty (SAD) is levied on import of refined oils at the rate of 4%.